GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:3468
ANSWERED ON:11.12.2002
PENSION POLICY
MALYALA RAJAIAH

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

he details of the present Pension Policy of the Government in respect of both organized and unorganised sectors?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINIS PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND M OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE. (SMT.VASUNDHARA RAJE)

Presently, the Central Government has a pension policy in respect of employees falling within its purview and the employees covered under the Employees Pension Scheme, 1995. Salient features of the above Schemes are annexed.

Besides the above, a Pension Scheme for the unorganized sector is also under consideration in the Government.

Annexure to the Lok Sabha Unstarred Question No. 3468 for answer on 11.12.2002.

Salient features of the Pension Scheme in respect of Central Government employees and employees covered under EPS 1995 are given below:

Pension Scheme For Employees of the Central Government

The Present scheme is a defined benefit scheme for which the employee makes no contribution and the pensionary liability is met from the Consolidated Fund of India. The present package of retirement benefits include:

Ã˜ Pension at 50% of a average emoluments of the last 10 months of service. The minimum period of service for eligibility to pension is 20 years except for those retiring on superannuation pension after 10 years.

Ã˜ Commutation of pension- the Government servant can commute up to 40% of his pension on retirement with effect from 1.1.96. This commuted portion of pension is restored after 15 years from the date of payment of commuted value.

Ã˜ DCRG- Death cum retirement gratuity is payable at 16 Â½ times the emoluments depending on the qualifying service subject to a maximum of Rs. 3.5 lakhs. Emoluments for this purpose includes basic pay and D.A.

Pension scheme for employees covered under Employees` Pension Scheme, 1995:

• To Members:

- Pension for life on superannuating/ retirement and permanent total disablement;
- Facility for capital return (corpus accretion) on option formulae basis; and
- Commutation of pension upto 1/3rd of pension amount.

• To the members of the family upon death of the member:

- Pension to Widow/Widower for life or till re-marriage.
- To children two at a time up 25 years of age simultaneously with widow/widower pension/orphan pension two at a time upto 25 years of age.
- Children/orphan with total and permanent disability shall be entitled to payment of children pension or orphan pension as the case may be irrespective of age and number of children in the family.
- Facility for payment of pension to nominee in the event of death of the member who is unmarried or without any eligible family member to receive pension, and
- Facility for payment of pension to dependent father/mother in the event of the member dies leaving behind no eligible family members and where no nomination by such deceased member exists.